



SPRING CONFERENCE

Tradition, Transformation, Innovation

Baltimore, Maryland

Protecting Eligibility

Session 43

THE U.S. Department of
EDUCATION



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Protecting Eligibility

Student Eligibility

To be eligible for Title IV aid a student must be enrolled or accepted for enrollment in an eligible program.

- A student is considered to be meeting this standard if when accepted for enrollment he or she is required to take a specified number of courses and maintain a certain grade point average in order to continue that enrollment.





Consortium/Contractual Agreements Contracting Out Programs §668.5

- Under a contractual agreement the eligible school is always the home school.
- Under a contractual agreement the ineligible school provides a portion of the eligible school's educational program.
- There are limits on the portion of a program that an ineligible school can provide.





Consortium/Contractual Agreements

An eligible school may not contract with an ineligible school that has--

- Been terminated from SFA participation; or
- Withdrawn from SFA participation while under a termination, show-cause, suspension, or similar type proceeding by a State licensing agency, accrediting agency, or the Department.



Consortium/Contractual Agreements

There is a limit on the portion of the program that an eligible school can contract out to an ineligible school.

- Up to 25% of a program -
If both the eligible school and the ineligible school are owned or controlled by the same individual, partnership, or corporation; or



Consortium/Contractual Agreements

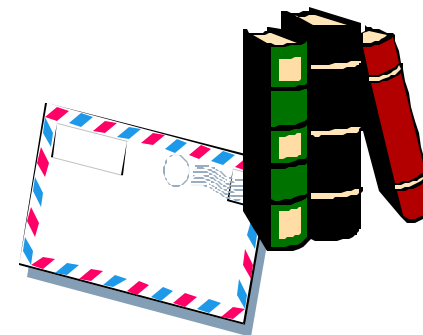
- More than 25% not to exceed 50% of a program -
 - If the eligible school and the ineligible schools are separately owned; and



Consortium/Contractual Agreements

- The eligible school's accrediting agency and State agency (if applicable) determine and confirm in writing that the agreement meets its standards for contracting out educational services.

Distance Education



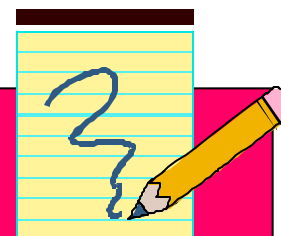
A student is not eligible to receive Title IV aid for a correspondence course unless that course is part of a program leading to an associate, bachelor, or graduate degree



Distance Education

Bottom Line

**Correspondence study students
enrolled in certificate programs are
not eligible.**





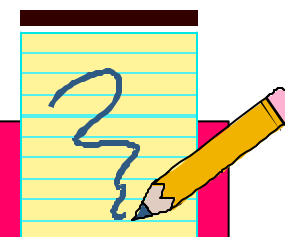
Distance Education

- Students enrolled in a telecommunication program that is less than one year in length are considered to be correspondence students and therefore are not eligible to receive Title IV aid.

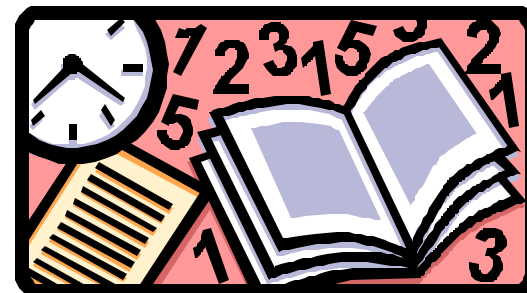
Distance Education

Bottom Line

Telecommunication students enrolled in programs that are less than one year in length are not eligible to receive Title IV aid.



Non-Traditional Education- 12 hour rule



Standard Term Characteristics

- A standard term is a quarter, trimester, or semester
- Progress is always measured in semester or quarter credit hours.



Non-Traditional Education- 12 hour rule

Semester Terms

- Approximately 15 weeks long.
- Full-time is at least 12 semester-credit hours.
- Academic calendar is 3 terms - fall, spring and often summer.
- Progress is measured in semester-credit hours



Non-Traditional Education- 12 hour rule

Quarter terms

- Approximately 10 -12 weeks long.
- Full-time is at least 12 quarter-credit hours.
- Academic calendar is 3 quarters in fall, winter and spring and often a summer quarter.
- Progress is measured in quarter-credit hours.

Non-Traditional Education- 12 hour rule

Academic year

- The 12-hour rule applies to all non-standard and non-term programs - both undergraduate and graduate programs.
- In order to have a full academic year a program must contain 30 weeks of instructional time. This means that a full-academic year = 360 hours of instructional time (30 weeks x 12 hours.) A week for this purpose does not have to equate to a calendar week.

Non-Traditional Education- 12 hour rule

Academic year

- If the program meets only 8 hours a week it would have to meet over 45 calendar weeks in order to have 30 weeks of instructional time.
(360 hours of instruction / 8 hours of instruction per week = 45 weeks.)



Recertification

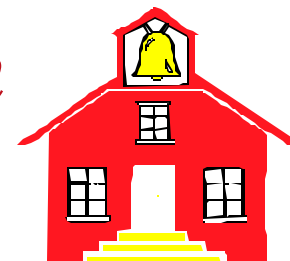
- Need to submit a materially complete application 90 days prior to expiration of the Program Participation Agreement (PPA).
- The Department will notify the institution 6 months prior to the expiration of the PPA.



Institutional Eligibility

- Expanding your institutional eligibility -- §600.20
- Updating information about your institutional eligibility -- §600.21

Additional Location

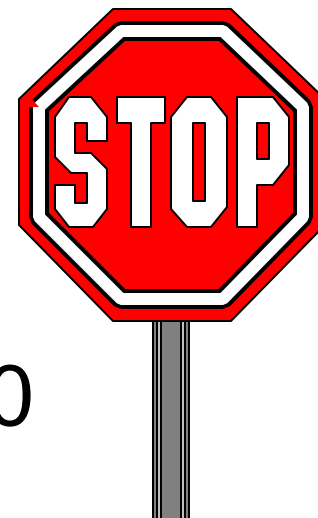


...if the institution:

- Offers at least 50% or more of an educational program at the location
- and**
- It wishes to give Title IV funds to students at that location.



Additional Location



- All Schools MUST either APPLY for Approval in accordance with §600.20

Or

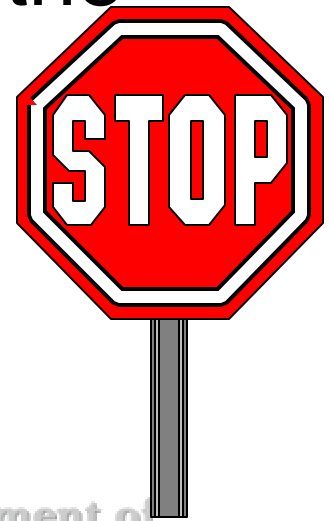
- REPORT the location in accordance with §600.21



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Additional Location

- The institution must APPLY and wait for the Department's approval before it can disburse Title IV funds for students at the new location if it meets one of the following conditions identified in §600.20: The institution is-





Additional Location

- Provisionally certified,
- Is funded under the reimbursement or cash monitoring payment method,
- Acquired the assets of another institution that participated in Title IV during the preceding year,
- The school is subject to loss of eligibility under §668.188,
- ED notified the school it must “apply”.



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Additional Location

- If you do not meet one of the conditions in §600.20, you can disburse Title IV funds to student at the new location **AFTER...**
- You have submitted a MATERIALLY complete application including all supporting documents for the licensed and accredited location.

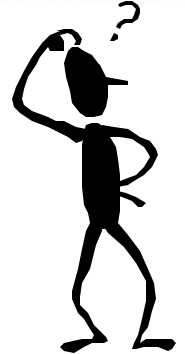


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Additional Location



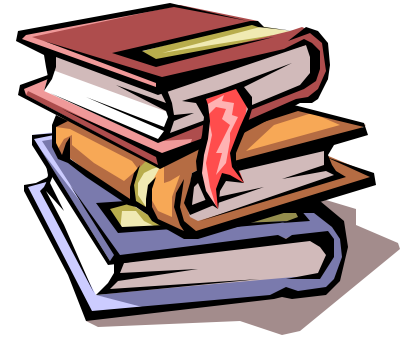
- What if I am expanding my institution by offering programs at the building next door, or just down the street, is that an additional location that must be reported?
- To respond to that question, we need to know how the institution, the accreditor and the state authorizing agency view it, as well as information about the proximity of the new building to the current location.



Closure of a Location

- The institution must report a closure of a location using the Application within 10 days of the closure of the location, branch or main campus.

What's an Educational Program?



§600.2 – Definition of “Educational Program”

An educational program is a postsecondary program that leads to an academic, professional, or vocational degree, or certificate, or other recognized educational credential.



What's an Educational Program?

- For Title IV program purposes a school is only recognized as offering an educational program if the school provides some instruction itself.



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What's an Educational Program?

- A school cannot merely give credit for one or more of the following: instruction provided by other institutions or schools; examinations provided by agencies or organizations; or other accomplishments such as "life experience."



Eligible Programs- For Profit Schools –668.8(d)(iii)



An eligible program provided by a proprietary institution of higher education must provide undergraduate training that prepares a student for gainful employment in a recognized occupation.

This means that undergraduate programs that do not train students for gainful employment are not eligible. Example-- General Studies degrees.



Increase Level of Educational Program Offering

- Example: Currently approved for Associate Degree, now want to offer a Bachelor's degree.
- The institution must receive our approval before it disburses Title IV aid to students at the new level of Program Offering.

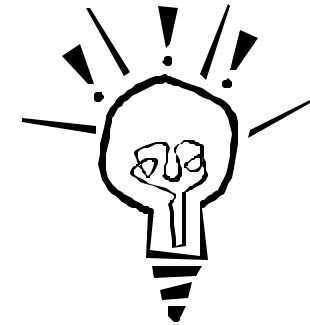
Adding Vocational Program

- If program is outside the current scope of educational offering, you must apply for approval for the program if you wish to give Title IV aid to students in that program.
- If the new program is a short-term program, you must also apply for approval of that type of program.



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Clock Credit Hours



The clock hour rules can apply to programs
at community colleges and universities!!!

Clock Credit Hours

Applies to all eligible non-degree undergraduate programs



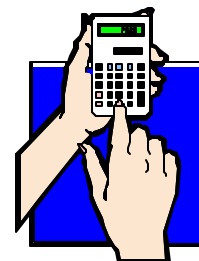
- Program must provide a minimum of 15 week of instruction; 600 clock hours, 16 semester/trimester hours, or 24 quarter hours (eligible for all Title IV programs); or



Clock Credit Hours Exemptions

- Each course within the program is acceptable toward that school's associate degree, bachelor's degree, professional degree provided that the institution's degree requires at least two academic years of study.
- Public or private nonprofit hospital-based school of nursing that awards a diploma.

Clock Credit Hours



- Calculate by dividing 30 into the number of clock hours if the program is offered in semester or trimesters credit hours.
- Calculate by dividing 20 into the number of clock hours if the program is offered in quarter credit hours.
- Must round down.



Clock Credit Hours

- We need the number of clock hours to apply the clock to credit hour formula.
- ED will only approve credit hours up to the amount that is approved by the state and accrediting agencies AND meets our clock to credit hour formula.

Clock to Credit Hours *Examples in Semester Hours*

<u>State</u>		<u>Accreditor</u>		<u>ED</u>
Clock	Credit	Clock	Credit	Credit
900	30	900	30	30
900	31	900	31	30
900	28	900	28	28



Short Term Programs

- Eligible for FFEL and Direct Loans only.
- Be between 300 and 599 clock hours long.
- At least 10 weeks in length.
- Cannot be more than 50% of state required minimum hours,



Short Term Programs

- Must have been legally authorized to provide and continuously provided the program during the 12 months preceding the application date.
- Admit as regular students some students who have not completed an associate degree.
- Provide undergraduate training that prepares a student for gainful employment in a recognized occupation.



Short Term Programs

- Substantiated completion rate of at least 70%.
- Substantiated placement rate of at least 70% in related job fields,
- Rates must be reported in the annual audit (financial/compliance).
- If not meet the rates, the program is not eligible for the next award year.
- Can apply for re-approval of the program once it again meets the program eligibility requirements.



Institutional Eligibility – Update Information

- The institution must update the Department **within 10 days** of any change to its current institutional eligibility including
 - Name of main, location or branch
 - Address of main, location or branch
 - President
 - Financial Aid Administrator
 - Fiscal Officer



Institutional Eligibility – Update Information

- Way it measures program length
 - e.g., Clock to credit or semester to quarter
- Third Party Servicer – Add or drop
- Decrease in the level of offering of educational program
- Change in a person's ability to affect substantially the actions of the institution.



Applying for or Reporting Expansions and Updates

- Use the Application found at:
<http://www.eligcert.ed.gov>
- In question 1, select the purpose “update” and make the appropriate selection from the “pick list”.
- Complete the information for the appropriate question(s) and Section L of the Application.
- Mail the Signature page and the supporting documents to the address provided.



Updates = Application

- Name of main (Question 2)
- President (10)
- Fiscal Officer (11)
- Financial Aid Administrator (12)
- Accreditor (15)
- State Agency (17)
- Address of main location (29)
- Name or address of additional location (30)
- Third party servicer (58)



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Expansion = Application

- Owners (Question 24)
- Increase in the Level of offering (26)
- Vocational program (27)
- Short-term program (27)
- New Location (30)
- Addition of a Title IV program (35)



Contacts – Case Teams

Internet: IPOS@ed.gov

Boston team - (617) 223-9338

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

New York team - (718) 488-3590

New Jersey, New York, Puerto Rico, and the Virgin Islands

Philadelphia team - (215) 656-6442

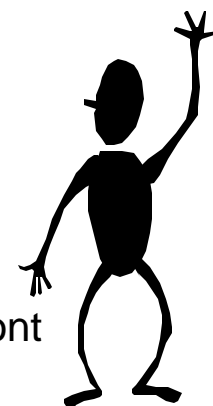
Delaware, the District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia

Atlanta team - (404) 562-6315

Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina

Chicago team - (312) 886-8767

Illinois, Minnesota, Ohio, and Wisconsin





Contacts – Case Teams

Dallas team - (214) 880-3044

Arkansas, Louisiana, New Mexico, Oklahoma, and Texas

Kansas City team - (816) 880-4053

Iowa, Kansas, Kentucky, Missouri, Nebraska, and Tennessee

Denver team - (303) 844-3677

Colorado, Michigan, Montana, North Dakota, South Dakota, Utah, and Wyoming

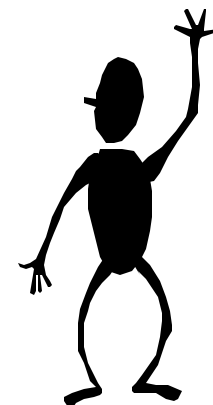
San Francisco team - (415) 556-4295

Arizona, California, Hawaii, Nevada, American Samoa, Guam, Federated States of Micronesia, Palau, Marshall Islands, and Northern Marianas

Seattle team - (206) 615-2594

Alaska, Idaho, Indiana, Oregon, and Washington

Foreign School team - (202) 377-3168





Contact us.

We appreciate your feedback and comments.

We can be reached:

Cheryl Leibovitz

*Phone:*202-377-4028

*Email:*Cheryl.Leibovitz@ed.gov

Patti Patterson

*Phone:*202-377-4262

*Email:*Patricia.Patterson@ed.gov

